

STATEMENT OF THE BASIS FOR THE DETERMINATION OF JUST COMPENSATION SAMPLE

Description and Location of Property - The City of Belmar proposes to purchase land on Petunia Avenue (Lot 8, Block 6, Palmer Extension) from owner Elizabeth Richards at 4134 Lilac Avenue, Belmar, Virginia.

Purpose of Purchase - The City of Belmar intends to use the whole parcel for the construction of a sheltered workshop.

Improvements - No improvements have been made to the property.

Declaration of Offer - Based on the two appraisals, the City of Belmar hereby makes you an offer in the amount of \$15,000 for the purchase of your property. This offer is for the fair market value of your property and does not include any consideration of decrease or increase in value attributable to the project for which it is being acquired.

Definition of Fair Market Value - "Fair Market Value is the highest price estimated in terms of money which the property would bring if exposed for sale in the open market, allowing a reasonable time in which to find a purchaser buying with knowledge of all the uses and purposes for which it is adapted and for which it is capable of being used."

Appraisal Techniques - Two major techniques, cost approach and market data approach, were utilized to determine the fair market value of this property.

Cost Approach -

*Land:

To estimate the value of the land, the market was searched for vacant land sales which might throw some light on the value of subject land.

Market Data - To estimate the value of the property by this approach, the market was searched for sales of properties in the area which might throw some light on the value of subject property by comparison.

After adjusting these sales, approximately six comparable properties, for time and points of difference, the indicated value of subject property, by comparison, is \$14,500-\$16,000.

Signature of Authorizing Official

Date

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